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FOREIGN AGRICULTURE

October 1962

Plant Quarantine Inspection

Soviet Bloc Aid and Trade

A Half Century of Plant Quarantine

South America Fights Foot-and-Mouth Disease

UNITED STATES DEPARTMENT OF AGRICULTURE · FOREIGN AGRICULTURAL SERVICE

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FOREIGN AGRICULTURE

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October 1962

Plant Quarantine

This year, besides marking the 100th anniversary of the U.S. Department of Agriculture, contains another important date in the history of our agriculture—the establishment 50 years ago of the U.S. Plant Quarantine Service.

Prior to the Plant Quarantine Act of 1912, the United States—as Ralph W. Sherman points out in his article *A Half Century of Plant Quarantine*—was vulnerable to the whim of any foreign grower who chose to unload his cull stock on an indifferent American public. Of the foreign insects we now harbor, 94 gained entry before this legislation.

We are still free of many pests and diseases that beset other countries, and because of this, our restrictions against foreign agricultural products have sometimes exceeded theirs. Often it has been made to appear that we do not understand or sympathize with the problems of the exporting countries. This is not the case.

Many times the United States has been faced with restrictions and embargoes upon its agricultural products because of the fear of other countries that they might import our diseases and pests. We have long recognized the validity of such barriers and wherever possible have taken vigorous action to remove the cause.

Over the years, we have attacked foot-and-mouth disease, cattle fever ticks, the Mediterranean fruit fly, the khapra beetle, and a host of other menaces. Eradication has been difficult and costly, for success comes only when the last insect or the last vestige of virus or bacteria is destroyed. Yet the cost is small compared to the losses we would have suffered, especially in our foreign trade, had these pests and diseases been allowed to spread.

Cover Photograph

A U.S. Public Health officer who has just finished spraying an airplane watches as a Plant Quarantine inspector searches for fruit or other food that might be infested with plant pests from other countries. (See article, page 12.)

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Czech-built cement plant, Afghanistan

Soviet Bloc Aid and Trade
—and the danger these pose for the West

By **MORRIS CRAWFORD**
U.S. Department of State

Soviet aid and trade during the past 7 years have become a matter of concern to Western nations interested in the economic and political stability of the less developed part of the world. Touched off in 1954 and 1955 by Khrushchev and Bulganin during unprecedented tours through the crowded streets of Kabul, New Delhi, and Rangoon, the economic approach to less developed countries has come to play a crucial role in Soviet foreign policy.

Peace, friendship, and economic cooperation is the Soviet theme, with economic cooperation being offered as the material substance of peace and friendship. Few of the many innovations that Khrushchev has made in Soviet foreign policy have had more telling implications than his initiatives in economic relations toward the less developed countries. None bears more distinctly the Khrushchev touch.

The most publicized feature of the Soviet economic program has been the credits and grants that have been provided to less developed countries. Since 1954 the Sino-Soviet Bloc as a whole has extended nearly $7.5 billion in economic and military assistance, almost $4.9 billion in economic assistance alone.

Soviet assistance is usually first extended in the form of a large umbrella credit. Impact is obtained because of the large sums of money involved and because of the sense of urgency and efficiency implied by the rapidity with which an undetailed financial agreement can be negotiated. India has received one line of credit for $375 million and two other separate lines, each for $125 million. Indonesia has received a credit for $250 million, Afghanistan $200 million, and Egypt $175 million.

Additional attention is later drawn to the Soviet offers of assistance when specific project contracts are signed under the lines of credit. When a credit is intended at the outset for a specific project, the project itself is often of such striking importance—for example, the Aswan Dam in Egypt and the Bhilai steel mill in India—that the agreement attracts widespread public attention.

Publicity is not the only objective of Soviet foreign assistance nor, of course, is it an end in itself; in terms of ultimate goals, in fact, publicity is surely of minor importance. But the Soviets do expect to get credit for their efforts and complain bitterly when they believe their role is not adequately publicized.

Soviet journalists visiting the Aswan Dam site in Egypt last year denounced the failure of the Egyptian Ministry of Information to give more than passing attention to the Soviet work on the construction of the dam. Egyptian guides, one of the Soviet writers grumbled, pointed with pride to the "Egyptian" dam and lauded the "Egyptian" efforts, but said nothing about either the Soviet workers or the Soviet equipment being used. Generally, however, the bloc uses a somewhat more adroit hand in bringing to public attention its economic aid.

Bloc project commitments most often are for the manufacturing sector of the recipient country. Steel plants of varying sizes have been promised to India, Egypt, Indonesia, Cuba, and Ghana. Bloc commitments include metallurgical installations of various types for Afghanistan, India, Egypt, and other countries.

Other bloc contracts for industrial development include such things as tanning factories, fertilizer plants, vehicle assembly plants, cement mills, and textile production centers. Mineral surveys, geological explorations, communications equipment, and transportation and power facilities, each account for significant amounts of bloc assistance commitments.

Agricultural Aid

Aid for agricultural development, excluding the multi-purpose Aswan Dam, has been modest in amount, which is fitting in view of the dismal agricultural accomplishments in bloc countries. Ultimate impact may be disproportionate to present commitments, for relatively small expenditures can have oversized results. Nevertheless, a modest $100 million committed to direct agricultural assistance hardly suggests that this is an area in which the bloc confidently expects to make a strong showing.

At the same time, the bloc cannot afford to neglect entirely agricultural development proposals, considering the extreme importance of this economic sector for all of the less developed countries. The distribution of commitments for agricultural aid reflects this, for some 17 less developed countries are receiving, or have been promised, agricultural assistance of some type.

State farms are being provided to several countries—rice farms, for example, to Ghana, Guinea, and Indonesia, and an oilseed farm to Ethiopia. Grain elevators have been built and farm equipment delivered in Afghanistan and India. Agricultural training centers have been committed to Ghana, Iraq, and the Somali Republic.

Bloc aid for agriculture is provided so as to encourage state or collective farming. A Soviet journal has pointed out that the farms being set up with Soviet assistance in Ghana "will become model experimental organizational enterprises and will serve as an organizational prototype." Because land reform is an issue that attracts great attention in all of the less developed countries, the bloc, capitalizing on this interest, can be expected to continue to present its efforts as pilot projects whose techniques of operation have general applicability.

Soviet claims for the farms they have already established are aimed at precisely this point. Articles appearing during 1961 in the Arabic edition of the *Soviet News Review* contended that cotton plantations in Iraq after 1 year of Soviet assistance had acreage yields three times as great as on adjoining farms. Superior productivity, the Soviets asserted, was the result of superior seed and farming techniques introduced by Soviet technicians who also performed some of the field labor on these Iraqi farms.

In this particular case, however, the impact of the Soviet claim was seriously depreciated when the Director General of Government Farms in Iraq vehemently and categorically refuted the Soviets. The Iraqi official claimed that the abundant harvests of these farms were the result of domestic techniques using seed strains developed under the guidance of agricultural experts of the Iraq Government. In fact, not even Soviet farm machinery was involved, the Director General said, since none was delivered until after the harvest was completed.

Specialist Aid

Large numbers of technical personnel have been sent to the less developed countries under bloc assistance programs. During 1961 some 8,500 were working in countries receiving bloc aid. The bulk of bloc technicians were employed in connection with construction projects.

While the United States provides considerable technical aid in such nonproduction fields as public health, sanitation, and urban resettlement, Soviet bloc technical aid tends to be related more directly to production processes and the expansion of production capacity. Because bloc specialists frequently possess a fairly narrow range of knowledge, in contrast to the broader background of most U.S. aid personnel, the bloc generally must furnish more technicians for a given job than the United States would find necessary. Also, the bloc often must send out large numbers of translators to accompany their technicians, since few of the specialists have had training in local languages. U.S. aid missions, in comparison, can frequently rely on local translators, who are much more likely to have been trained in English than in Russian.

Trade Offensive

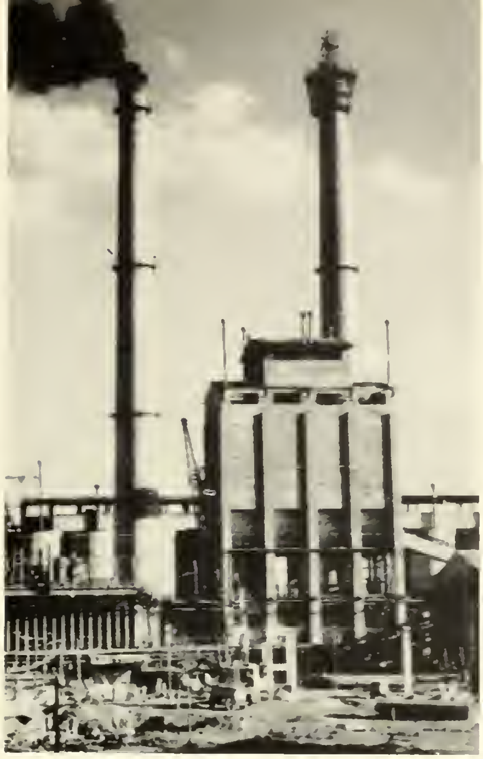
Trade between bloc and less developed countries has also increased considerably since 1954. While exchanges amounted to only about $870 million in 1954, increases in both exports and imports raised trade turnover more than threefold to nearly $3.4 billion in 1961. (It should be noted that Cuba is included as a less developed country in these computations. Cuba in 1961 accounted for more than 25 percent of bloc trade with less developed countries, less than 1 percent in 1959.) The growth of the USSR's trade has been most striking, increasing about five-fold in the past 7 years.

Subsidization of Soviet trade may well have occurred in certain instances, particularly where the political returns have been readily apparent and immediately realizable. Soviet air pickup of fruits and vegetables from Afghanistan when normal trade routes through Pakistan were closed is a case in point. Soviet purchases of Cuban sugar have been made at above world market prices and have undoubtedly raised availabilities of sugar in the USSR to levels higher than Soviet leaders would have preferred.

This politically advantageous trade does not appear to be costly to the bloc. In some instances the bloc is able to minimize the real subsidy by reselling; the USSR, for example, resold 1 million tons of Cuban sugar to Communist China in 1961. In any event, the bulk of exchanges with the less developed countries are transacted at prices that appear to yield significant economic gains to the bloc.

Much of the bloc trade with less developed countries takes place under bilateral agreements. More than 200 such agreements have been in force during the past year; and some countries, such as Egypt, India, Iraq, Indonesia, and Cuba, have negotiated bilateral agreements with all or nearly all countries in the bloc.

Generally, the Soviet bloc comes closer to satisfying its import quotas under these agreements than its export quotas, which probably reflects the general shortages that perpetually exist in all bloc areas. Exports sometimes fall behind the targeted levels when local outlets in less developed



Few projects built with Soviet aid have been more highly publicized than the Bhilai Steel Mill in India. Above, the plant's coke oven.

Above, East German Battalion Printing Plant in Guinea; and right, site of Egypt's Aswan Dam, now being constructed with Soviet funds. Bloc assistance is most often for manufacturing.

countries are unable to market bloc goods competitively with Western products. Petroleum is an exception, moving well in many countries.

Commodity Trade

Bloc exports to less developed countries include a wide range of items. Exports of manufactured goods, machinery, and equipment amount to more than 60 percent of all exports. Petroleum is an important export item, as are grains and some other food products. Certain crude materials, such as lumber and cement, are exported to less developed countries.

Exports from the European satellites almost invariably are of manufactured goods and machinery, as well as some finished consumer products. While the USSR exports large amounts of capital equipment under its aid programs, it also ships to a variety of customers a significant quantity of crude and semiprocessed materials. Communist China, until recently, exported large amounts of food products, in addition to textile products and other light consumer goods.

As one would expect, the major bloc imports from the less developed countries are crude materials and food products. About 80-85 percent of total imports from the less developed countries falls in these categories. Cotton and rubber are important crude material imports—cotton from Egypt and rubber from Malaya-Singapore and Ceylon. Sugar from Cuba, coffee from Brazil and Yemen, and cocoa from Ghana are leading food imports.

Not an Aid Race

The Communist bloc clearly lacks the economic capacity to compete dollar for dollar on a global basis with the Western allied nations; last year, in fact, the United States alone spent nearly 10 times as much as the Soviet bloc on current economic aid to less developed countries. While bloc outlays are rising yearly, Soviet strategists do not intend in the foreseeable future to expand their aid to match that of the West.

Their purposes are no less served, however, by a program which is artfully blended with other approaches in confronting emerging opportunities. Khrushchev will admit candidly to President Keita of Mali that the USSR cannot equal Western aid in volume, but will warn Keita and other African leaders who will listen that accepting Western aid and trade will mean continuing colonialism in a new guise.

Particular leaders of less developed countries sometimes will be favored in bloc aid offers, on the assumption that these men will be more zealous in championing causes advantageous to bloc interests if their political future is involved. Aid will also be given in situations—such as the Suez crisis and, more recently, the controversy over West New Guinea—where its major aim obviously is to stir up animosities toward the United States or nations friendly to the United States. Finally, a large number of aid agreements have had as their main purpose little more than the establishment of a Soviet presence.

Although such aid falls short of creating dependence and may only mar-

(Continued on page 22)

Dominican Republic Today Is Active Alianza Partner

By LEON G. MEARS
Regional Analysis Division
Economic Research Service

For the Dominican Republic, 1962 has been a critical year. In January, the economic sanctions that the Organization of American States had placed on the country during the last year of the Rafael Trujillo regime were lifted, and this important Caribbean nation joined the active ranks of the Alliance for Progress.

Since then, hardly a week has passed without some positive move, either by the Republic itself or by the United States within the scope of the Alliance, to promote social and economic progress. After the country's three decades under harsh dictatorship, its economic advance—based on democratic principles—will be watched with interest by all the Western Hemisphere and indeed by all the world.

This member of the Alliance is also a valuable and growing U.S. trading partner: we have been the principal market for its farm exports as well as the principal source for its farm and nonfarm imports alike.

Problems of Its Agriculture

Agriculture is the backbone of the Dominican economy. About two-thirds of the country's 3 million people are engaged in farming; even in urban areas, many people work in agri-industries like the processing of sugarcane; and agricultural exports account for over 90 percent of total export value.

During Trujillo's rule, agriculture suffered a setback. Despite an overall economic expansion, the majority of the rural people were no better off in 1961 than 30 years before.

In 1930, the country had a fairly well diversified agriculture and an equitable pattern of farm ownership and land tenure. Some further diversification took place between 1930 and 1950, but it was more than offset by the rapid expansion of the sugar industry in the 1950's. This expansion was accomplished in large part through the absorption of small landholdings into large cane latifundia.

By the late 1950's the country's economy had been molded into a typical sugar one—highly vulnerable to fluctuations in world market prices. Sugarcane was—and still is—by far the principal crop, and the production of sugar the largest industry.

Much of the sugar expansion was attributable to Trujillo's interest in sugar. By the late 1950's he had acquired two-thirds control of the whole sugar industry. Besides setting back agricultural diversification, this sugar policy created a swelling class of dispossessed farmers, many of whom drifted to urban slums.

U.S. Assistance

After the assassination of Trujillo in May 1961, the Dominican people began the huge task of rebuilding their agricultural economy. They needed outside assistance to combat the staggering economic problems they faced—largely owing to the expatriation of capital under the Trujillo regime. They especially needed immediate credit, both to pay off commercial debts abroad and to help finance an emergency program for economic recovery.

In February 1962, a month after the OAS lifted its sanctions, the Dominican Government received a credit of $25 million, provided by the United States through the Agency for International Development (AID) under the Alliance for Progress. The terms of the credit are among the most favorable yet granted under that program. No interest will be charged for the dollars, and the Dominican Government will pay only three-fourths of 1 percent credit charge to meet the expenditure of handling the credit. The loan is to be paid in 20 years with a 5-year grace period before payments start.

Signing of the credit agreement coincided with the reestablishment of an AID mission in the Dominican Republic. Functioning as part of the U.S. Embassy, this mission will coordinate U.S. economic and technical assistance and will administer those portions that are financed by AID.

Since the United States stopped buying Cuban sugar, the position of the Dominican Republic in the premium U.S. sugar market has risen sharply. In the first half of 1962, the Republic ranked second only to the Philippines as a U.S. sugar source. Moreover, the new U.S. sugar legislation, with its amendments, grants to the country for the rest of 1962 and for 1963 and 1964 a quota again second only to that of the Philippines.

To ease the critical food supply situation, resulting largely from widespread unemployment, the Catholic Relief Service began a food distribution program in late 1961 using U.S. farm products donated under Title III of Public Law 480. This program was doubled in size in March 1962, and this fall CARE is beginning school lunches for some 100,000 children.

Other U.S. aid in recent months includes a contingent of Peace Corpsmen and the establishment of a Spe-

Left, boxcars full of sugarcane at a mill represent the country's major export industry—sugar production.

Above, coffee beans on drying platform; right, setting banana rhizomes to start new trees. Coffee is the No. 2 export crop, next to sugar; bananas rank fourth in order of importance.

Photos, Pan American Union

cial Economic Readjustment Fund to aid the Republic in diversifying its agriculture. A shift to livestock and emphasis later on tobacco and certain food crops are diversification aims.

Early this year, the Dominican Government created a National Board of Planning and Coordination to draw up plans for economic and social development. At its first meeting, in mid-March, this Board studied the projects to be financed under the AID credit and signed the first agreements.

Land Reform, Extension, Credit

In April, the government passed a comprehensive agrarian reform law. This law, drawn up with the assistance of a team of experts provided by AID, is one of the more important developmental steps the country has yet taken.

Almost 70 percent of the population is engaged in agriculture, but the best land has been owned or controlled by a small number of corporations and large landowners—the largest being the Trujillo family.

The law created an Agrarian Institute, attached to the Department of Agriculture, to administer the agrarian reform. The Institute was allocated $1.7 million in counterpart funds generated from the AID loan. It will distribute parcels of land to qualified farmers, develop and help operate a system of supervised credit, establish programs of education and technical training, help provide seeds and equipment, and guide farmers in growing the crops that will be of the greatest benefit to them. It will also assist in the marketing of produce.

To qualify for land, an applicant must be between 18 and 50 years old, agree to work the property himself or with his immediate family, and not own enough land to support his family. The land distribution program was begun soon after the law was passed. By July, several hundred farm families had been settled, and an agreement providing for the settlement of about 2,500 more had been reached. The land being distributed is confiscated property once owned by the Trujillos and others involved in the dictatorship.

In July, the National Agricultural Extension Service of the Department of Agriculture was established. Its basic objective is the education of the rural people through practical methods to increase the efficiency and quantity of production and to improve the home and the community.

Also in July, a Peace Corps team arrived, with the mission of helping to establish a Rural Development Service in the Department of Agriculture. This project will stress the use of improved agricultural practices and techniques through extension methods.

A National Supervised Agricultural Credit Program was inaugurated this spring. In the past, the small farmer could not get agricultural credit except at extremely high rates and on a short-term basis. This has limited his capacity to use his labor and land effectively. The prime objective of the new program is to provide both short-term and intermediate-term credit for the small farmer in amounts up to $3,000. These loans will bear interest rates, surcharges, and fees totaling not more than 8 percent a year and will run for 10 years or less.

The Agricultural Bank supplies the loans and—together with the new Extension Service—the technical supervision. By August, the Bank had approved about 12,000 loans to small farmers, totaling almost $2 million.

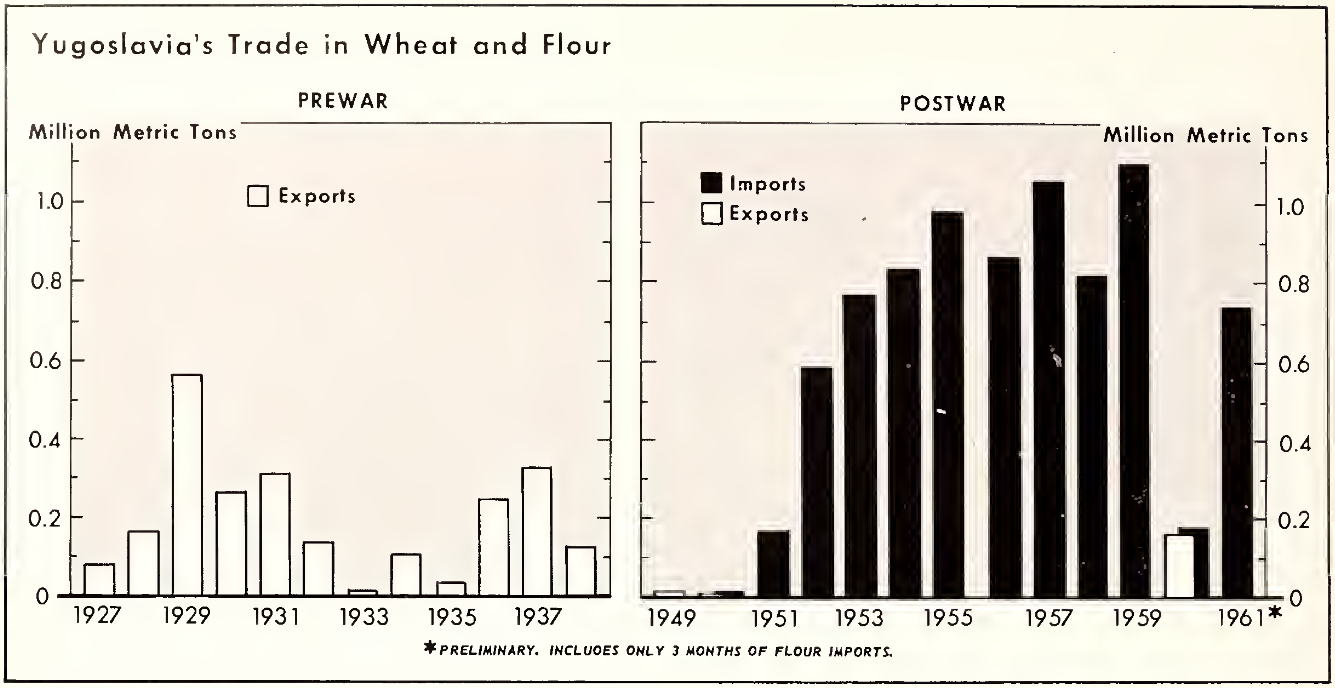
Foreign Trade

The value of the Dominican Republic's foreign trade is increasing rapidly and may set a record this year. Exports during the first 6 months of 1962 totaled $95 million, almost 20 percent higher than in the same period last year. Sugar is the key export commodity, now making up about 60 percent of the total. Shipments of sugar, mostly to the United States, are expected to approach a million tons this year. Coffee ranks second among export crops; and of this, too, the largest share—about 80 percent—goes to the United States.

Cacao, bananas, and tobacco are the other top farm exports. Cacao, most valuable of the three, goes almost entirely to the United States, which also takes many of the bananas and an increasing share of the tobacco.

Dominican imports of agricultural

(Continued on page 22)



Yugoslavia's Collective Farming
—is it entering a new phase?

By ARMIN J. REHLING
U.S. Agricultural Attaché
Belgrade, Yugoslavia

Although Yugoslavia's farm output has improved greatly in recent years, there are still many problems. Yugoslav leaders are convinced that the route to agricultural advancement lies in the direction of large, mechanized farms under state or public ownership. Yet 90 percent of the farmland is still privately owned, with farms averaging only about 11 acres. Only 10 percent belongs to the "socialized sector," and the problem is to expand that sector.

In the years since the war, the government has tried a number of approaches to the socialization of agriculture. First came expropriation, then forced collectivization, and next production contracts between cooperatives and private farmers. The newest approach seems to be a gentle economic squeeze, aimed at pushing private farmers toward the voluntary sale of their land to the socialized sector. One indication of this new policy is the fact that more funds are being provided to state and cooperative farms for buying private lands.

Why is Yugoslavia following this gradual course, so unlike that of other Communist countries? The answer probably lies in the shortcomings of previous courses.

Rocky Road to Socialism

Expropriation, the first approach, provided most of the land now in the socialist sector. Acquired in the early years after the war, this land belonged to such groups as the German minority, the churches, the royal family, and the few large landholders. It now belongs to state farms and collectives, general agricultural cooperatives, or institutions and schools.

The state farms average about 2,200 acres of arable land; the collectives, about 1,900. Most of these farms are located in the country's most fertile areas, and might well produce the best crops even without the priorities and subsidies now received. But there is no more such land to take over.

Forced collectivization was begun in 1948. A serious decrease in production followed, and it was abandoned. A law passed in November 1951 permitted farmers to withdraw from the collectives if they wished. They did so in droves, shrinking the collectives from 7,000 to fewer than 200 by 1960.

The government could probably again accomplish a large measure of forced collectivization through the Law on Land Utilization, passed in 1959. This law permits the local commune to turn over the operation of privately owned land to a cooperative if it is ruled that the land is not being operated efficiently.

Conceivably, many a private farmer who chooses to struggle on his own, without the cooperative's privileged access to fertilizers, tractors, and similar aids, could be ruled "inefficient" if his production fails to keep pace. But widespread enforcement of this law would be dangerous politically and economically. The private farmers would naturally offer strenuous objections; and they still account for the following large percentages of crop production for the market: Wheat 50, corn 60, milk 50, hemp 60, sunflower 65, meat 75, fruit 85, tobacco 90, vegetables 90-95, and poultry 98.

For that reason, and perhaps also because responsible officials are familiar with what has occurred in several East European countries where collectivization is being forced, there is no evidence that force will be used again. In addition, industry is in no position to absorb large numbers of rapidly displaced peasants, nor could the government house them.

Cooperative Contracts

A new approach took shape in 1957, with a law organizing "cooperative cultivation of the land." Under this system, the state farms and the general agricultural cooperatives (numbering about 4,000 in 1960) signed contracts to provide individual farmers with various supplies and services (such as fertilizer, pesticides, improved seed, deep plowing, cultivation, and the like) on credit. The farmers were to provide labor and the use of their land (in return for rent).

Though the government has had high hopes that this type of cooperation would lead to "socialization of the countryside," problems have developed. Many farmers, disappointed with the high charges for services and late and small rental payments, have canceled their contracts to go it alone.

The government's desire to encourage the expansion of the socialized sector is, however, as strong as ever—perhaps stronger. In the past year, Yugoslav leaders have come to realize that local factories producing requisites for agriculture are really working for only about 10 percent of the potential market. A private farmer is not permitted to purchase a new tractor or combine, nor could he afford to do so; what he often does is to find an old machine in a junkyard, buy it by the pound, and put it back into condition.

As for the socialized farms, they already have about all the heavy machinery they need. For this reason, much of the larger agricultural machinery Yugoslavia produced last year remained unsold. Some imported machinery even stayed in crates for lack of demand.

The same problem also arose in portions of the fertilizer industry. The socialized sector, purchasing at greatly subsidized prices, probably consumed its share; but the private operator either lacked the money or considered it unprofitable to pay the full price asked by the factories. Supplies backed up at the plants, and production had to be reduced, even though the land could use much more fertilizer.

Economic pressure on the private farmer is becoming more and more apparent as the newest approach to this problem of too little land under collectivization. If he insists upon operating a strictly private enterprise, his farm is severely handicapped in comparison with socialized farms.

Unless he enters into a production contract with a cooperative, he probably has little chance of obtaining a production credit loan. He is at the end of the line as regards opportunity to obtain hybrid seed corn or seed of the higher yielding Italian wheat varieties (which have had a decided influence on Yugoslav wheat output since 1957). Fertilizer and pesticides cost him more, since he is not entitled to subsidies. The subsidies on farm machinery and tractor fuel mean little to him; his farm is legally limited to 25 acres, which means he could not efficiently utilize large machinery.

The peasant is also penalized when he comes to the market with his produce. The guaranteed prices do not apply to him; neither do the premiums on crops that the government is seeking to increase. If he is a clever trader, skilled in finding areas where his produce is needed, he can overcome some of these handicaps by trading in the public market or with his neighbors. Such practices are not supported by the government.

Peasant's Unpleasant Choices

Thus, the private farmer in Yugoslavia has three choices, perhaps equally hard. He can bring himself and his land into the "socialized sector;" he can fight it out alone; or he can sell his land for socialized farming and abandon agriculture.

Increasing numbers of peasants are taking the third road. In fact, they have apparently been offering more land for sale than the socialized sector has been able to buy. Besides the discrimination they face in the selling prices for their produce and the purchase prices for their farm needs, they are influenced—as are many farmers the world over—by employment opportunities in the towns and cities at better wages, and (the older owners especially) by their children's lack of interest in farming. While population increased from some 13 million in 1927 to 19 million in 1961, a shift away from the rural areas was going on; about 70 percent of the population was on the farm before the war and only about 50 percent is now.

Production Changes

The up-and-down nature of Yugoslavia's farm output since the war indicates that despite all these strenuous efforts to organize agriculture, many of the country's production problems are not yet solved. It was not until 1957 and later that production of corn, wheat, and sugar beets—the three principal crops—was much above prewar levels. Furthermore, a good year has usually been followed by a poor one, in a pattern that has been due more to Balkan weather than to agricultural policy.

The chart accompanying this article shows Yugoslavia as a consistent exporter of wheat in prewar years and an equally consistent postwar wheat importer, with imports in most years (including 1961) running over 700,000 metric tons and in some years over 1 million.

This change, although in part due to the availability of U.S. wheat for local currency, has been brought about also by a number of other factors. One is Yugoslavia's difficult recovery from the effects of the war on its agriculture. Wheat output, which hit a prewar peak of over 3 million metric tons in 1938, did not attain that figure again until 1957. Acreage took 20 years to recover to the prewar average and has not yet equaled the prewar peak of 5.5 million.

In addition, the population shift from rural to urban has meant a dietary shift also, with fewer people eating the traditional corn bread of the peasant and more eating wheat bread. Needing more wheat than before the war and sometimes producing less, Yugoslavia is not likely to regain its prewar exporter status, though it did once achieve some net exports after a bumper crop the year before.

Iran Plans for Progress

By T. O. ENGEBRETSON
U.S. Agricultural Attaché, Iran

Photos courtesy World Bank

The roar of bulldozers echoes across the mountains of Iran as roads are forced through the desolate terrain to replace the ancient trails used by pack mules.

In the land of the ancient Medes and Persians, modern Iranians are working feverishly on their Third Economic Plan, which went into effect last month, to continue until March 1968—end of the Iranian year 1346.

In Iran, the idea of planning was spawned early in 1937 with creation of the High Economic Council. World War II interrupted formal development planning; at the same time, Allied war expenditures were creating sizable gold reserves.

In 1948, the First Seven Year Plan was launched only to be hindered soon afterward by the politically uncertain Mossadegh regime and the financial crisis that followed nationalization of the oil industry. After the oil problem was settled, a new situation arose, characterized by increased oil revenues and consciousness of the need for extensive institutional change.

The Second Seven Year Plan, just completed, was launched in 1956. Agriculturally, that plan emphasized the building of fixed capital assets. Foundations were laid for expanded seed improvement and fertilizer and pesticide programs. Two large-scale irrigation schemes in the Dez and Sefid Rud regions were initiated, and irrigation channels in the Moghan area were completed.

The job of strengthening and expanding the agricultural extension service and rural credit cooperatives remains for the Third Plan. The resources for this Plan are not unlimited, but with careful planning and spending, improvements are bound to come.

Progress depends partly on the rapidity and effectiveness with which the government implements its land reform program and partly on the extent to which farmers recognize their stake in economic development through agricultural improvement.

The Biggest Problem

Low village income is the most pressing of Iran's numerous agricultural problems. Low productivity, both per man and per hectare, uneven income distribution, and the low rate of agricultural investment contribute to this situation. In Iran, as in so many other areas, widespread rural illiteracy and inadequate communication facilities aggravate the problems.

Agriculture is the central part of Iran's economic development scheme, as it is the central part of Iran's economy. Oil is the principal source of revenue, but 75 percent of the nearly 21-million population is engaged in crop or livestock production, largely at the subsistence level.

Of the Third Plan money allocated to agriculture, nearly a third is earmarked for development of water resources. Large amounts are also set aside for credit cooperatives and land tenure and cadastral studies. The total agricultural allocation is about $500 million, a fifth of the total $2.5 billion development budget.

Estimated expenditures during the 5½ years are about $800 million above estimated resources. The difference is expected to be made up with foreign loans and grants and perhaps by some increases in taxes.

Help From Free World

Iran's Free World friends have aided in the past and, in all probability, will continue their help. The United States, through its bilateral economic aid and technical assistance agreement with Iran, has been assisting in programs designed to strengthen and expand the extension service, to improve and expand Karaj Agricultural College, and to extend the services of the Agricultural Credit Bank.

In addition, the Food and Agriculture Organization of the United Nations contributes technical assistance in the fields of agricultural statistics, irrigation, nutrition, and soil fertility. Augmenting these activities have been projects in vocational agricultural training, cooperative credit, marketing, and production demonstration plots supported by both the Ford Foundation and the Near East Foundation. Bilateral agreements with other countries have also provided financial and technical help.

Actually, Third Plan expenditures will be more limited by institutional factors than by availability of funds. The incapacity of underdeveloped rural societies to absorb and utilize effectively large amounts of development capital is well known. Viable projects with promise of meaningful impact are difficult to formulate under any circumstances, and the scarcity of competent local talent in the midst of illiteracy poses still further problems. "There is," as the Plan frame states, "a great deal of spadework to be done in the initial years of the Third Plan before a sizable rural program can be mounted."

The Plan's Targets

Broadly stated, the agricultural objectives of development planning are increased output, improved rural living standards, and more equitable distribution of income within agriculture. These targets are predicated on a rate of growth in agricultural production of 4.1 percent a year. Commodity production targets are based upon a 6-percent annual rise in gross national product and a 2.5-percent annual increase in the population.

There are, naturally, different targets for different commodities. The target for cereals is an annual increase of 4 to 5 percent, reflecting opportunities for widespread use of improved rice and wheat seed and better cultural practices. A 7-percent-a-year rise is expected in industrial crops and 4 percent in fruits and vegetables. Increases in livestock and meat production, a special problem in arid, overgrazed areas, will be hard-won, and an increase exceeding 2.5 percent a year would be a surprise. Milk output is supposed to rise 2.7 percent a year.

The Plan envisages an increase of about 140,000 hectares in the irrigated area and an improvement of the water supply serving an additional 260,000 hectares. At present, 2.4 million hectares are irrigated.

The need is widely recognized for extensive institutional reforms to increase the efficiency of investment. So far, the average peasant has little if any involvement in the social and economic issues that directly affect his welfare. His contribution to society has been severely limited by his illiteracy and his extremely small financial and technical resources.

With more supervised credit for productive purposes and greater access to knowledge through the extension services, the means for improving peasant welfare will be available, but these will have little meaning without proper incentives. To provide incentives, a program for upgrading tenant cultivators to small owner-operators is underway.

Some 20 percent of agricultural land already belongs to small owner-operators, but the individual holdings are small. Roughly 55 percent of the land still belongs to a relatively few large landholders. Public domain lands and land held by religious orders account for the remainder.

More than half of all farmers work as tenants, under varying degrees of insecurity of tenure. Landlord-tenant relationships are based largely upon "customary practices." A basic arrangement for cropland is to divide the crop five ways among those who provide land, water, animal power, seed, and labor.

Planning officials recognize that an antiquated land tenure system such as this is a major obstacle to agricultural progress. In the past 10 years, the Shah of Iran distributed most of the lands he inherited from his father, and the resale of privately owned land began last spring. Still, much remains to be done.

Iran is prepared to funnel funds, both directly and through the Agricultural Bank, into projects and activities in support of the land reform program. These resources, plus dedicated leadership that can successfully stimulate and channel peasant energies into a greater productive effort, offer promise of a better life for villagers. Unless this promise is fulfilled, the Plan can be only a partial success.

To raise grain production, as targeted in Iran's economic planning, better seed is being made available to farmers.

Demonstrating a horse-drawn seeder. An expanded extension service is trying to change centuries-old farming methods.

A Half Century of Plant Quarantine

Strongly opposed by U.S. nurserymen when first introduced, the Plant Quarantine Act has safeguarded our agriculture for 50 years and permitted horticultural imports to rise from $350,000 a year to over $14 million.

By RALPH W. SHERMAN
Plant Quarantine Division
Agricultural Research Service

In the past half century the United States has become a world leader in the plant quarantine field. Today it is far in advance of most countries in the protection of its farms and woodlands; nevertheless, it will continue to suffer for its early folly in admitting scores of the world's most destructive plant pests.

Before enactment of the Plant Quarantine Act in 1912, the United States was vulnerable to the whim of any foreign grower who chose to unload his cull stock on an indifferent American public. An inventory of the foreign insects we now harbor shows that 94 species gained entry prior to this legislation. Further, incomplete data assembled by the Federal Horticultural Board as early as 1919 show that at least 120 foreign diseases had been introduced up to that time.

Not all of these early pest invasions can be blamed on unscrupulous foreign growers or the apathy of Americans. Some would have happened anyway, simply because we did not know as much about insecticides and fumigants as we do now. Take the case of Washington's famous Japanese cherry trees.

In 1909 President Taft handed Col. Spencer Cosby, Engineer Commissioner for the District of Columbia, a letter from the mayor of Tokyo saying that the people of that city were sending 2,000 flowering cherry trees as a gift to the people of Washington. When the 12-15 foot trees arrived, USDA scientists found them infested with over a dozen species of exotic insects and carrying several plant diseases. The entire lot was burned, and 3 years later, the city of Tokyo sent 3,000 more trees, all young and healthy and, according to USDA entomologists, apparently free of pests. The trees were planted, and, as Col. Cosby predicted, they became one of the sights of Washington.

Unfortunately, these trees and similar importations that soon followed were responsible for the introduction into the United States of the destructive oriental fruit moth, one of our most serious fruit pests now widespread in most commercial peach-growing districts of the country. Had they been fumigated before leaving Japan—and it is quite possible they were—they would still have been dangerous, for we now know that 50 years ago there was no fumigant lethal to all borers embedded in the wood and protected by a gummy exudate.

Early Efforts

Plant quarantine work in the United States may be said to have started in 1891 when California set up a seaport inspection at San Pedro, probably the first anywhere in the world. Then in 1903, 9 years prior to Federal action, California's Governor approved legislation providing for the enforcement of regulations to protect the State's agriculture.

The earliest movement to secure passage of Federal plant quarantine legislation was spurred by the San Jose scale scare of the 1890's. This scale entered California on flowering peach stock brought from China, and eventually it reached New Jersey. Bills were introduced in Congress periodically, and were strongly opposed by U.S. nurserymen who feared that quarantine legislation would destroy their import business, then valued at around $350,000 a year. They failed to pass, and efforts to obtain a quarantine act were not revived until around 1910 when it was discovered that enormous quantities of brown-tail moth nests, filled with hibernating larvae, were arriving in seedling fruit stock, principally from northern France.

During this second insect scare, a new bill was drafted by Dr. C. L. Marlatt, then Assistant Chief of the Federal Bureau of Entomology. Introduced into the House and Senate, it again met with active opposition, which delayed its passage for over 3 years. Like previous bills, it required permits for plant imports, provided for State inspection and treatment of such stock at its destination, and authorized a ban on imports likely to contain insects and diseases that could not be destroyed by known treatments.

Dr. Marlatt's unassailable argument was that the United States was the only great power failing to provide protection for its agriculture. He said, "America has become a dumping ground for the plant refuse from other countries." He also stated that fully 50 percent of our important injurious insect pests were foreign introductions, among them the Hessian fly, horn fly of cattle, cabbage worm, pea weevil, Croton bug, asparagus beetle, Argentine ant, and alfalfa-leaf weevil.

This second attempt was ultimately successful, largely because Dr. Marlatt won over several of the bill's earlier critics. Leaders of the House, including Speaker "Uncle Joe" Cannon, had all been marshaled back of the bill, so that it was finally approved on August 20, 1912, thus ending a 20-year struggle to close our doors to destructive pests.

In the 50 years of its existence, 82

Checking convallaria pips from Germany at a New York pier in the 1920's. Today all plant inspectors wear uniforms.

Above, in the 1930 war against the Japanese beetle all vegetables entering Philadelphia from New Jersey were inspected at the bridge. Right, straw-hatted young man looks over Cuban vegetables at New Orleans.

Left, last year more than half the 25,600 plant pest interceptions came from contraband fruit and plant materials found in tourists' baggage.

Below, laboratory specimens help identify an intercepted insect. Right, rhododendrons from Holland are fumigated on arrival.

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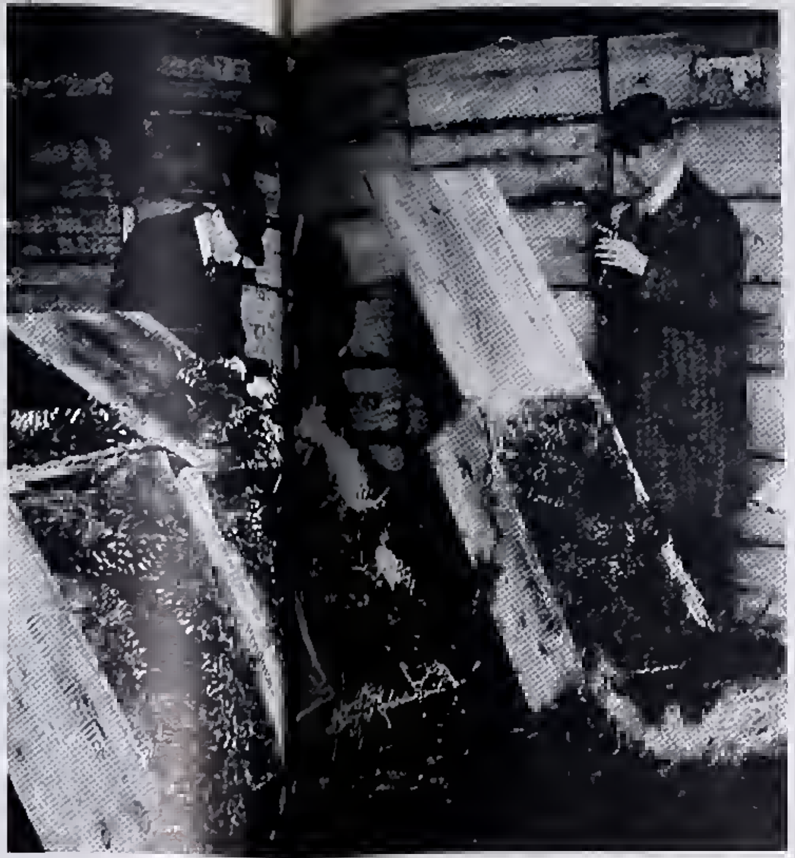

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quarantines have been promulgated under the Act. Thirty of these have related to imports of plants and plant products from foreign countries, 40 to interstate movement, and 12 to movement of host material between the U.S. mainland and its off-shore States and Territories. Current today are 13 domestic quarantines, 17 foreign, and 7 territorial.

Nursery Stock

Nursery stock regulations took a number of years to evolve. In the beginning they were limited to the basic requirements of the Act, invoking only foreign inspection and certification, plus such additional inspection at destination in this country as could be performed by State inspectors. Potted plants and those with soil balls continued to arrive, and inspection at destination was confined to the aerial portions of the plant; thus soil-borne plant pests were overlooked.

In 1919 Nursery Stock, Plant and Seed Quarantine 37 was issued. This excluded most classes of nursery stock, but allowed the entry of field, vegetable, and flower seeds, certain bulbs, and rose stocks, as well as fruit stocks, cuttings, and scions. All of these had to be soil-free and were subject to further treatment on arrival.

Quarantine 37 marked a strengthening of our plant protection system on a valid biological basis. In 1949 it was revised. It now lists genera prohibited entry or enterable only for growing under postentry quarantine; provides for the entry of nursery stock in the stage easiest to inspect and least likely to harbor plant pests; and requires treatment of most imported stock on arrival.

With a few minor modifications, these 1949 regulations are still in effect. From time to time Congress has passed several collateral acts, so that by May 1957 when the Federal Plant Pest Act went into effect, all remaining loopholes in plant quarantine authority had been plugged.

Other Landmarks

Many of the landmarks in our plant quarantine work are the result of entomological research. Discovery of a spectacularly effective poison bait and advances in aerial spray applications were largely responsible for the success of the 1956 Mediterranean fruit fly eradication campaign in Florida. An inexpensive synthetic gypsy moth lure, as effective as lure produced from female moths, will help New England control moth invasions in the future. Also, new treatments for nursery stock, fruit, and vegetables have made it safe to authorize not only interstate movement but importation of items that have been prohibited.

One of the real landmarks was the inauguration in 1936, in Hawaii, of the first overseas preclearance of air passengers' baggage. As early as 1928 when the Graf Zepplin made its first trans-Atlantic trip, pests were brought in; and in 1929, 124 lots of contraband plants and plant products were found in the planes from Central and South America.

Today, inspection of air passengers' baggage and of air cargo at international airports constitutes one of the major problems of foreign plant quarantine enforcement. Last year 130,000 planes from foreign countries were examined on arrival, and passengers' baggage alone yielded 190,000 interceptions. In all, there were some 325,000 seizures of contraband and 25,600 plant pest interceptions—and over half of these were from fruit and plant materials found in baggage.

With the tremendous growth in intercontinental travel, the chance of foreign pest introduction and survival is now considerably greater than it was a half century ago. Fortunately, there have been many marked advances in quarantine techniques and procedures. Also, the Department of Agriculture is now embarked on a comprehensive campaign to inform the public. Travel agencies, steamship and airlines, the State Department, and U.S. agricultural attachés abroad are all helping to get quarantine literature into the hands of U.S.-bound travelers, forewarning them that contraband plants and fruits stowed away in luggage will be confiscated on arrival in this country.

Applications to import vegetables, soil fruits, and plant material should go to Plant Importations Branch, Plant Quarantine Division, Agricultural Research Service, USDA, 209 River St., Hoboken, N.J.

World's Palm Oil Trade Shows Signs of Leveling

Following a 10-year period of steady climbing, the world's palm oil trade fell in 1961, mainly because the leading producers, Nigeria and Congo, failed to maintain their export levels.

Nigerian shipments were down about 20,000 short tons from 205,000. The Congo's dropped about 7,000 tons from 184,000. The 1962 exports may be at the same level or even lower; for the first quarter of 1962, Nigerian exports fell 11,500 tons below those for the same period a year ago.

The oil palm, *Elaeis guineensis,* considered the world's most efficient producer of vegetable oils, is grown mostly in West Africa and Southeast Asia. Its oils are used in soap and margarine making, and in the candle and tin-plating industries.

Two factors account for Nigeria's drop in exports. First, Nigeria's population is expanding rapidly, and since palm oil is a good source of fat and vitamin A, most is consumed locally. Secondly, oil palms in Nigeria are a "bush" crop and yields are low. Cultured palms, while giving better yields —50 percent more than wild palms— take 5 years to mature, longer than most growers are willing to wait. Besides, peanuts and cacao have a higher export value and compete with cultured palms for labor.

In the Congo (formerly the Belgian Congo) exports fell largely because of political disruption, preventing growers in the interior from getting the palm oil to seaports. Here most of the palms are plantation grown.

The decline in exports might have been greater had it not been for Indonesian shipments. Because plantations had regained their prewar efficiency, Indonesia in 1961 exported about 23,000 tons over its 1960 output. In Malaya, rubber and coconut plantations are turning to palm production, but new palms have yet to mature. Both countries produce some of the best oils, low in fatty acid.

The United States imported about 70,000 tons of palm and palm kernel oil in 1961, 28,000 of which came from the Congo. Almost all U.S. imports went into industrial uses.

South America Fights Foot-and-Mouth Disease

This article is based on information from leading U.S. veterinarians and livestock experts. In it, we attempt to bring together a wide range of ideas on one of Latin America's most serious agricultural problems.

Worldwide restrictions against the import of meat and meat products from countries with foot-and-mouth disease are causing increasing concern in South America, where the disease is found in every major livestock-producing country.

Foot-and-mouth is not new to South America. The virus has followed a cyclical pattern of ups and downs on the continent for many years. However, because the disease's mortality rate is generally low, South America's meat-producing countries have remained relatively calm over the 20-to-25-percent production loss the disease causes. But with F & M increasingly hitting vital foreign exchange, there is growing agitation for concerted action against the disease.

The presence of F & M in South America also poses a continual threat to the livestock industries in the rest of the American continent. A recent outbreak near the Panamanian border in Colombia caused Panama to ask for U.S. patrol boats to help prevent clandestine movement of stock into Panama and for experts to consult on disease control.

Central America and the North American continent have been free of foot-and-mouth since 1952, when a mild recurrence of the disease hit Mexico and was promptly wiped out. An earlier outbreak in Mexico in 1946 had been eradicated after a joint U.S.-Mexican campaign which cost the United States $135 million, and resulted in tremendous expenditures and financial losses by Mexico. The disease appeared in Canada in 1952 and was immediately stamped out. There has been no foot-and-mouth in the United States itself since 1929, although prior to this there had been nine separate outbreaks of the disease.

Seven Types of Virus

Actually, few areas of the world are free from the disease, which attacks swine and sheep as well as cattle. Of the 7 known virus types, 6 have been identified in Africa, 4 in Asia, 3 in Europe, and 3 in South America. Though there are vaccines for most of the virus types, they have not yet been improved to the point where a single vaccination provides long-term immunity. At the present time, cattle must be inoculated approximately every 4 months. Immunity against one type does not protect the animal against the others.

The disease causes blisterlike lesions on the tongue, surfaces of the oral cavity, teats, and interdigital spaces. It spreads quickly and can be picked up by contact between infected, or carrier, animals and susceptible, or clean, stock; by transporting animals in infected vehicles—or by the animal's contact with infected meat and other material. Dogs and wild animals can carry the virus into clean areas, or it can be carried on clothing, footwear, or farm equipment.

Though the mortality is usually low, the painful lesions in the mouth cause the animals to refuse food; animals with feet affected become lame and often refuse to move. There are tremendous losses in meat and milk production. In addition, the pregnant animal may abort.

A favorable method of gaining temporary immunity in South America and elsewhere has been to deliberately expose not only young animals to the disease, but older stock as well, since previous infection does not provide immunity of long duration. Other con-

Below, Brazilian vaqueiro takes cattle to market. Movement of cattle over set routes is one guard against foot-and-mouth, inoculation another.

trol methods are outright slaughter followed by complete disposal of the carcasses, or restriction on the movement of the animals combined with vaccination. Frequently the latter method is used until the disease has been focalized within a relatively small area, and then slaughter is employed to complete eradication.

Europe Not Disease-Free

Methods like these, undertaken with maximum cooperation between individual nations, have significantly reduced the disease in Europe. Australia and New Zealand, both major meat producers, are disease-free, and determined to stay that way. The expense of controlling, or wiping out, the disease, plus the economic losses in production, have made all these countries extremely wary of imports from areas suffering the disease.

Traditionally, most surplus beef from Argentina and Uruguay has moved to the United Kingdom as chilled beef. Frozen and canned beef have gone to the United Kingdom and other West European countries. The United States has taken large amounts of canned and cured beef from Argentina, Uruguay, Paraguay, and Brazil. Colombia's cattle production has not reached the point where the country is looking for foreign markets; other South American countries, partly because of F&M, do not have sufficient production for export.

International Restrictions

Now, bans have been enacted against South American meat and meat products which range in severity from the prohibition of all meat imports save those rendered sterile by intensive cooking to requirements for special processing and handling of fresh and cured meats.

France, fighting its own F & M problems, has adopted stringent measures on imports. Australia has recently prohibited the import of hides from affected countries, which means the loss of a 2-million-pound hide market for Argentina. Japan is still hesitating to complete negotiations for trade agreements involving shipments of meat from Argentina.

The United States banned imports from South America of refrigerated, lightly salted, boneless beef in 1959, when it was found the virus could remain viable in beef processed in this manner. U.S. imports are now mostly confined to beef that has been steamed sterile in cans before leaving South America, or beef that is fully-cooked, or cured and dried beef. The necessity for such U.S. restrictions keeps South America's meat producers from supplying larger quantities and a much wider variety of meats.

The United Kingdom last year prohibited pork imports from F & M countries, and is becoming more and more reluctant to continue its large imports of chilled beef carcasses from Argentina and Uruguay. Since the United Kingdom is the principal purchaser of the meat and meat products of both countries, loss of the market would be a serious blow.

The United Kingdom would like to continue its traditional buying of Argentina's meat, which is of higher grade than that purchased from Australia and New Zealand. U.K. livestock inspectors in both Argentina and Uruguay try to prevent shipment of any infected meat. However, now the United Kingdom is having to weigh the advantage of having this good source of chilled beef against, for instance, the $16 million spent in 1960 to get rid of a foot-and-mouth epidemic. This had been traced, along with previous outbreaks, directly to meat imports from South America. Another outbreak was reported as late as May of this year.

These problems are likely to be further heightened by the Common Market and Britain's proposal to join the Market. This will further restrict the market for South American meats because of higher tariffs and the imposition of variable import levies and import quotas. In addition, the Common Market (though each member country has its own foot-and-mouth) will undoubtedly adopt more stringent regulations on imports by its members from countries with F & M.

Fight Against Foot-and-Mouth

The loss of markets—and the possibility that more could go—has accelerated South American efforts to control, and if possible, eradicate the disease. International efforts to help are also speeding up.

Argentina's current F & M program began in 1959. Financed by proceeds from a tax on beef, the program consists of a massive and systematic effort to vaccinate cattle in selected regions. Forty percent of the cattle are now being vaccinated three times a year, and coverage will be broadened when more improved vaccine is available. Argentina's CAFADE (Commission for the Administration of the Fund to Support Economic Development) has programs in several areas, the most important of which is "Operation Beef." CAFADE has assigned about $3 million of P.L. 480 counterpart funds to improve cattle. AID (U.S. Agency for International Development) provides technical aid.

South American Viewpoint

In the view of Argentina and other big South American meat producers, their meat could be shipped anywhere without danger to the importer if certain procedures were followed. These include vaccination almost up to the point of slaughter, control of cattle movement (such as getting cattle to market only over certain routes), and examination before shipment by the importing country's inspectors. In January, a U.S. scientific mission made a survey in Argentina of F & M problems and recommended a joint U.S.-Argentine research program, to see if there were processing methods which would free meat from the virus and permit expanded exports of Argentine meat abroad, particularly to the United States.

In February, veterinary representatives from Brazil, Argentina, Chile, Paraguay, Uruguay, and the Aftosa Center (an agency of the Pan American Health Organization and the Organization of American States) met in Rio de Janeiro to formulate control measures. Principal recommendations were to seek closer coordination of national programs, to standardize vaccines, and to arrange technical exchanges in certain areas. This meeting is particularly significant because a previous meeting in 1961 did not attract all the participants invited and failed to develop any program of disease control.

AID has made a grant of $237,000 to the Aftosa Center. The World Bank and FAO, too, are becoming concerned.

Coordinated Assault

Finding an answer to the widespread foot-and-mouth problem in South America will not be easy. Freeing this large area of the disease will be a huge task, requiring a number of years of continuous, integrated work on a regional basis. Individual country, or bilateral, programs—no matter how massive, or well-supported—cannot permanently cope with the problem. Nor could individual countries afford the continuous expense of fighting the disease and the inevitable rise in the price of its meat exports to noncompetitive levels. Each country within geographical areas must coordinate a vigorous assault on each virus with that of its neighbors. Each must progress in control at comparable rates; each must protect its livestock from disease with the same vigilance.

There are responsible veterinary authorities who believe that economically feasible methods of eradicating the disease are impossible. Others, citing recent gains against the disease in Western Europe and the successful eradication of outbreaks in North America, feel that an immediate coordinated approach to control and elimination is feasible. They believe this provides the only ultimate solution to the grave economic problems confronting the major livestock-producing areas of South America.

Extensive Cattle Movement

One of the biggest problems facing such foot-and-mouth programs in most of South America is lack of control over livestock movement. Completion of the Pan American Highway will only aggravate the situation. It has been estimated that in Colombia, for instance, a single animal may go to market seven times before slaughter.

Development of more effective vaccines, which produce longer immunity, would improve chances for success, along with other measures to combat the disease. Nevertheless, it would be wrong to assume that even with concerted, intensive, and coordinated efforts, foot-and-mouth can be eradicated from any of the South American countries within a short period. The effort, if begun at once, on a collaborative basis, will require years of aggressive work. At the same time, several of the countries concerned will require active assistance in emergency funds and technical advisory personnel from international organizations concerned with F&M.

The main reason for optimism that a solution will be found is the growing realization by South Americans and those interested in the area's welfare that South America cannot afford the increasing loss in foreign exchange nor continue to suffer the economic loss in production.

Oats, Pariah in Feed Grains Boom, Shows Considerable Stability in World Markets

Oats is the only coarse grain that is not sharing in the rising demand for feed grains. In the last 10 years the output of feed grains has increased 20 percent. This same period saw oats drop off 15 percent.

(World oats production last year totaled 4.6 billion bushels, of which the United States supplied 3.5 billion.)

Farmers in the major oats-producing countries (United States, Russia, Canada, and Germany) no longer find oats as profitable to produce as other crops. For example, in the United States, current farm prices for oats range from 60 to 70 cents per bushel, compared with corn at 90 cents to $1. As a result, the U.S. output of oats last year was about 350 million bushels below the 1950-54 average.

Furthermore, oats is overshadowed by the higher yields per acre of its competitors. The U.S. oat yields in 1961 were 42 bushels per acre, and that of corn, about 61.8 bushels.

Despite the economic shortcomings of oats production, oats as a feed grain does offer special advantages not claimed by the other grains. Oats provides a less expensive source of protein than either corn or wheat.

Its advantages as a feed can be readily seen by evaluating the feeding value of oats for specific classes of livestock. Horses and mules prefer oats to any other grain. It makes up 31 percent of all feed for horses and mules. However, the demand for horse feed has diminished considerably.

In calf-fattening rations, ground oats when fed in combination with molasses is superior to corn in the amount of gain produced and in the general attractiveness of the calves. For the fattening of steers and lambs, oats produces the same gain as corn, but does so more economically.

For poultry, many authorities claim that oats is the best grain available. Oats constitutes about 10 percent of all grains fed to poultry.

Were it not for these special advantages, world oats exports would probably have shown a downward trend. As it is, oats exports have remained at about the same level. In 1925, 128 million bushels of oats were traded, and only a slight decline from that figure was reported in 1961. The U.S. share of world oats exports has been about 15 percent.

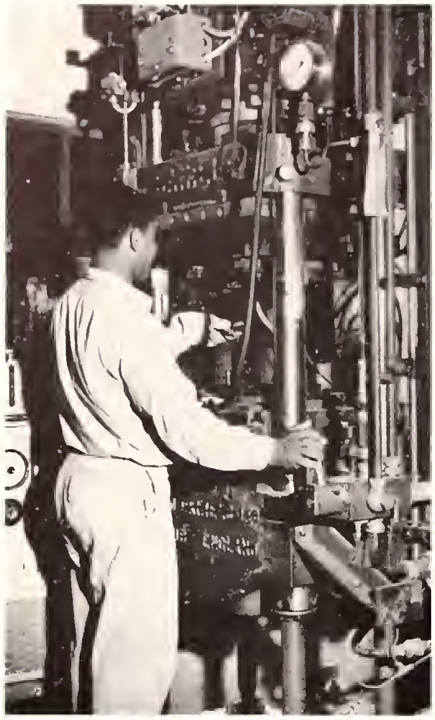
Traditionally oats has been a stay-at-home crop. About 90 percent of the production is fed locally to livestock, and less than 3 percent is traded. The rest is used as a cover crop along with legume seedlings, and a minor portion, about 4 percent, is consumed in the form of breakfast foods.

Compared to the other feed grains, oats, because of its bulk, costs more to transport on a per ton basis. For example, U.S. oats recently sold in Rotterdam at $64 per metric ton, and corn, at $54. Considering the bulkiness of oats shipments, it is surprising that oats has been traded in the amounts that it has.

The future of oats in the world farm picture hinges upon whether present interest in oats as a feed grain can be maintained. If so, exports will probably continue at the same level, and annual production—according to the most optimistic forecast—will decline somewhat less drastically.

Israel To Set Up Industry In Its Rural Settlements

By HENRIETTA M. HOLM
Regional Analysis Division
Economic Research Service



Typical of the industries run by Israel's farm settlements are the "Tama" plastic and metal works, above, and right, the "Gat" factory which processes and packs locally-grown olives.

Few countries in the world have shown so dramatic a rise in agricultural production as Israel. In 1948 when the new nation was formed, income from farming amounted to less than $25 million a year. By 1960 it was up to $419 million. During this period too, farm exports contributed greatly to the country's economy.

Today the situation is changing. The country's potential for industry is now much greater than it is for agriculture. Natural resources, opportunities for employment, and market outlets abroad cannot support another big jump in agricultural output. Yet now, more than ever, Israel needs to increase its competitive capacity, for its long-range plans call for an increase of close to 90 percent in the value of total exports by 1966.

EEC Markets

As the European Common Market moves to abolish internal tariffs and to adopt a unified external duty, there is concern in Israel that important outlets may gradually be closed for a large number of the products on which the country depends for revenue. And Israel badly needs the West European market for both its agricultural and industrial products.

The six member nations of EEC have been buying most of Israel's agricultural exports and close to a third of all exports. If Great Britain, Norway, Denmark, Austria, Switzerland, Greece, and Spain all are members or associates of the Common Market by 1966, as is anticipated in Israel, this union would imperil present markets for 60 to 70 percent of the country's total export trade. Prospects for alternative markets are not promising.

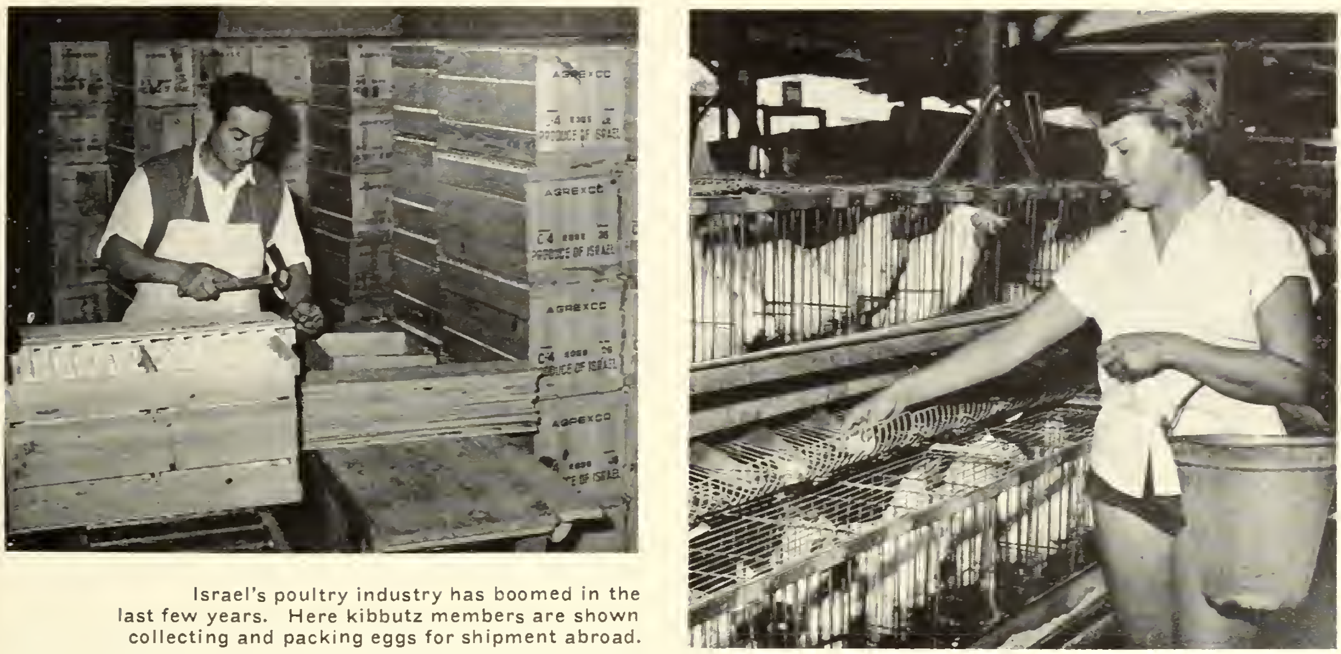
The Israeli Government is hopeful that an arrangement may be negotiated within the framework of the Treaty of Rome to offset some of the adverse effects resulting from Common Market preferences. While internal adjustments are being made in the country's economy, Israel's people are being called upon to increase the rate and quality of their production for export and replace imports by local goods.

Immigration is again on the uptrend. Under its Covenant Law, Israel offers a haven to distressed Jews all over the world. An ingathering unparalleled in history increased the population of the state from 1 million to 2 million between 1949 and 1959, and much is being heard of the return of the "third million" within a decade.

There is no indication of how many people will come to Israel at any given time, nor with what prior skills. But they must be productively absorbed. And the security of the state can be insured only by peopling all of the country, from north to south, and by providing the means to a livelihood independent of outside aid.

Fewer Farmers Needed

Since the first years of statehood, no more than 18 percent of the Jewish labor force has engaged in agricultural activities (including forestry and fisheries). Most Jewish farmers were previously unacquainted with, and often unsuited for, rural life. The new, hastily assembled settlements into which they were channeled were largely dual-purpose units, required at once to produce as much as possible



Israel's poultry industry has boomed in the last few years. Here kibbutz members are shown collecting and packing eggs for shipment abroad.

of the food needed for an exploding population and for cash crops, while defending all of the land from hostile neighbors. Also, many man-hours of labor were spent off the farm on projects such as road building, irrigation, swamp drainage, terracing, and reforestation, and in military pursuits.

The need for defense persists. But most of the farmland in the developed regions is in full use, and improved production techniques have reduced the number of farmers required to sustain and reasonably augment agricultural production.

Many of the older settlements, particularly those handicapped by poor soils and sufficient water, are now unable to base themselves entirely on agriculture. Some of the newer ones, more fortunately situated but not yet able to realize income from long-term crops such as fruit plantations, cannot find full employment in other farm work. Consequently, industrial activity in the essentially agricultural settlements has become important as a source of income not subject to seasonal fluctuations. It also meets the social need of providing employment for settlement members who have not adapted well to farm work.

Rural Industries

Today the bulk of industry in Israel's rural settlements is found in the collectives (*kibbutzim* or *kvutzot*), which are based on community living, common ownership of resources, self-labor, and pooling of expenses and income regardless of its source. There is also some industry in the collective smallholders' settlements (*moshavim shitufiim*), in which members maintain individual establishments, farm in common, and are apportioned work and pay according to size of family. Members of *kibbutzim* and *moshavim shitufiim* together make up about one-quarter of the rural population.

All of the collectives have community workshops. These numbered about 1,000 in 1959. The shops were originally designed for the comfort and security of the settlement itself, so that it might repair its own machinery and equipment, build its own furniture, and supply other necessities while providing employment for settlement members during seasonal slack periods for farm work. Often production was expanded beyond the need of the immediate settlement to meet the demands of people of the surrounding localities.

Besides these workshops, over 60 percent of the 226 *kibbutzim* and a third of the 18 *moshavim shitufiim* have industrial enterprises geared to the general market. There are factories for the manufacture of small agricultural implements and machine parts for agriculture and irrigation. Fruits and vegetables are processed. Dehydrated alfalfa fodder is produced. Other plants manufacture textiles, rubber and plastic articles, boards for insulation and building, bricks, and ceramics.

In general, the industries of the collectives are small, only a few employing over 100 workers. However, in 1959, jobs were provided for some 11,000 people in either the workshops or factories of the collectives.

More Industries Planned

The established rural settlements are already asking for more industry. And while collective settlements have the advantage of a broader control over their members and greater experience in cooperative enterprises, it is felt that some type of industrial enterprise can be profitably introduced in all farm settlements. Construction expenses on the nationalized land of rural areas would be lower than in urban centers. Also, lower food and wage costs away from the cities would permit production of goods at more competitive prices.

The location of additional industry in or near the cities would be more acceptable to most of Israel's working force, for the experience of the last few years has shown that, given a choice, most Israelis of this generation prefer urban ways. Furthermore, perhaps a quarter of those originally located in the farming settlements in the early years have moved back to town. (To that extent, at least, the "new Jewish farmer," an ideology linking the development of the modern state back to its historical past, has waned.) But since three-quarters of Israel's present population is already concentrated in the metropolitan areas of the north and west, economic planners see the need for decentralization.

Most new settlements will have to be located either in rural areas that are already fully employed in agriculture, or in the development zones—mainly in the south—in which the agricultural potential is limited.

Negev Development

The Government of Israel has put forward a 5-year plan for opening up the Negev desert for settlement, initially by about 90,000 newcomers. Fewer than 15,000 people now live there, mainly in three small towns—Eilat, Dimona, and Mitze Ramon. Seven additional small towns are planned to house 20,000 new settlers. The rest will be distributed in new *kibbutzim, moshavim,* and villages. According to government estimates, less than 8 percent of the total labor force in the Negev will be able to find employment in agriculture. The area, however, is rich in deposits of phosphates, potash, magnesite, and copper, and these will be exploited. In addition, factories will be established for woven goods, clothing, and shoe and leather work; for making precision optical instruments and other fine glass products; and for electric wire, and iron and copper goods. Erection of a sisal plant and a cortisone factory is also planned.

While industry looms larger and larger in the future of Israel's rural settlements, there is no implication that agricultural production will be allowed to dwindle away. On the contrary, indications are that output will maintain a healthy level—both for home consumption and for export. But the growth of income from agriculture will come largely through better production techniques and better marketing rather than through greatly expanded acreage and a big increase in the farm population.

Nations That Grow and Consume Coffee Take New Step Toward Long-Term Pact

The world's coffee-importing countries have joined the exporting countries in seeking a way out of the coffee problem. At a United Nations Coffee Conference in New York, from July 9 to August 25, representatives from 56 countries discussed proposals for a long-term international agreement, as an answer to the chronic difficulties presented by the continued buildup of world coffee stocks and the decline in prices.

This is by no means the first international discussion about coffee. But it is the first under U.N. auspices; the first looking toward a worldwide long-term agreement; and the first that has included most of the major producing and consuming countries.

The draft agreement that served as the basis for the negotiations was the work of a committee appointed by the 34-nation Coffee Study Group. This Group (which is composed of representatives from major coffee exporting and importing countries) approved the draft during a March meeting in Washington, and the New York Conference made compromises and amendments to reconcile differences of opinion on key issues.

After the agreement was rewritten in line with these changes, the Conference reconvened on September 28 to approve it formally. It now is before the 56 governments for the necessary ratifications.

The need for a worldwide agreement has grown in direct proportion to world coffee stocks. Carryover stocks from the 1961-62 season totaled 75 million bags (of 132.3 lb. each), or 1¼ years' world consumption. Historically, production has followed an up-and-down rhythm: shortages and high prices, then overproduction and low prices. The hope is to avoid these excessive fluctuations, which are not in the interest of either producing or consuming countries.

By way of background, it should be pointed out that the present international effort is really an extension of efforts made over the past several years. In 1957, representatives from seven Latin American countries met in Mexico City to develop an agreement under which some of their production would be withheld from export. This was the first of a series of annual producer agreements; the current one accounts for over 90 percent of the world's coffee exports. In 1958, the United States had a major role in the formation of the Coffee Study Group, whose work has been closely coordinated with these producer agreements.

However, while producer agreements have been moderately successful in bringing about orderly marketings and fair stability in prices, it has long been apparent that the participation of consuming countries is needed for a more effective marketing system.

The principal instrument of the new Agreement will be export quotas. There are no specific price provisions, but the quotas can be adjusted when changes in price—either up or down—appear excessive. The importing countries will try to help implement the quota provisions by requiring certificates of origin on coffee imports and by limiting imports from nonmember countries. Another key provision is aimed at reducing production and stocks in producing countries.

Under the new agreement, coffee exports to the so-called "new markets"—which include the Bloc countries, certain areas in Africa, and other areas where the per capita consumption of coffee is very low—will again be permitted. However, there are provisions against the reshipment of such coffee to traditional markets and also against certain other trading practices that might be contrary to the objective of the Agreement.

The United States attaches much importance to the development of an effective producer-consumer coffee agreement, for it recognizes the necessity of stabilizing the prices of primary commodities that play leading roles in the economies of the developing countries. Coffee is certainly such a commodity. In eight countries of Latin America and Africa, it accounts for over half the value of all exports.

THE FOREIGN MARKET

For U. S. Oilseeds and Oilseed Products

By ROBERT W. ALLEWELT
Fats and Oils Division
Foreign Agricultural Service

U.S. exports of soybeans, soybean meal, and oil reached new heights in 1961-62. Another record was the $540 million these exports put into U.S. farmers' pockets—one-third the value of the $1.6-billion soybean crop harvested in 1961.

Soybean exports of 155 million bushels were 10 percent above the previous record of 1959-60; exports of soybean meal, at over 1 million tons, were nearly 70 percent higher. An important factor in the jumps was large dollar exports of beans and meal to the West European market, where an expanding livestock industry had been faced with below-average feed grain and fodder crops in 1961.

U.S. exports of soybean oil hit 1.4 billion pounds, almost a 50-percent increase over the previous peak set in 1959-60. Cottonseed oil exports sent total vegetable-oil exports to a record 1.9-billion-pound figure—30 percent higher than ever before.

Spain Top Dollar Buyer

Spain continued to be the biggest foreign market for U.S. vegetable oils, because of its off-year olive crop in 1961—and, for the first time, all purchases were for dollars. However, in general, vegetable oil exports under government programs moderately exceeded those for dollars. About 275 million pounds were donated as shortening and cooking oils to foreign countries; and Pakistan, Egypt, Turkey, Yugoslavia, Poland, and Israel took 95 percent of the oil moving under Title I, P.L. 480.

The outlook for dollar export sales of U.S. soybeans and soybean meal is very favorable. The United States is the only large world exporter of soybeans, except for erratic exports of soybeans from Communist China. The market for a high-protein meal for animal feed is growing along with the rising consumption of livestock products in the more developed countries like the United States, Canada, Japan, and most of Western Europe.

U.S. Oil Exports Rise

Prospects for dollar exports of soybean and cottonseed oils over the next few years are not as good. However, because of rising demand for edible oils in many underdeveloped countries, exports under government programs should increase and are expected, through industry-government cooperation, to push total U.S. oil exports up by 50 percent by 1965. Spain provides proof of how government-program exports open up dollar markets. In the past, Spain has taken large quantities of U.S. vegetable oil under P.L. 480; last year, the country was the United States' biggest dollar customer.

Spain will probably shift to some extent from importing soybean oil to whole soybeans. Western Europe—though a rather small importer of soybean oil—has been the major dollar market for U.S. cottonseed oil. However, the expanding production of animal fats in these countries now meets over half the area's needs. Lower prices have upped butter consumption and lowered use of margarine (made largely from imported vegetable oil).

The policy of the European Common Market is to import oilseeds and oilseed meals duty-free. But to protect the large oilseed-processing industry of the Common Market countries, imports of crude cottonseed and soybean oil will carry a 10-percent duty and refined oils a 15-percent duty. The United States is trying to bring about a reduction in these duties.

A common agricultural policy for fats and oils has been proposed by the EEC Commission, but has not yet been adopted. The proposal includes guaranteed prices to the Market's principal oilseed producers, namely countries growing rapeseed and olives.

Guaranteed prices would also be extended to the associated African countries for a portion of their crops for a specific number of years. All production payments are to be phased out eventually, both to member olive producers and associate-member oilseed growers. But the African associates will have a permanent advantage over third countries in that their oils will enter the Market duty free.

The highly protected oilseed industries of Italy and France will have to make the greatest adjustments to conform with the Common Market's proposed overall fats and oils plan. With edible oil prices lowered, however, consumption should increase moderately in Italy and France. When individual member-country policies are in line with those of the Common Market, U.S. oilseeds will be in a good competitive position. While our vegetable oils will still have to hurdle a fairly high tariff barrier, at least quantitative controls will be gone.

Competition Strengthens

The acceptance of the United Kingdom in the Common Market would raise the question of preferential treatment for Australian and New Zealand butter, at least for a period. The entry of Denmark into the Market would make sizable supplies of butter available within the Community.

Competition is toughening up in other areas.

The major peanut-producing countries have formed an African Peanut Council to promote the sale of the product to foreign markets at competitive prices. The large coconut-producing countries are similarly preparing to actively market the larger supplies of coconut oil available now that synthetic detergents have cut into use of the oil for soap. Exports of Peruvian fish meal and oil are rising, too, with fish oil going in increasing quantities to Western Europe.

Market Development Role Grows

This growing competition is bringing into stronger focus the past and future role of the joint market development program of the U.S. soybean industry, USDA, and foreign country cooperator-trade groups.

At the moment there are relatively comprehensive programs in 17 foreign countries and limited programs in 34 others. Their accomplishments vary. The steady growth in Japan's imports of U.S. soybeans (from 20 million bushels in 1955-56 to more than 40 million in 1961-62) is partly attributable to the aggressive market development program in that country. In Peru, a marketing project helped dispel the notion that soybean oil could not be stored like other vegetable oils. In many countries unfamiliar with the use of soybeans, the presence of U.S. vegetable oil technicians has helped to avert errors in handling and processing which might have resulted in the loss of markets.

The U.S. soybean industry is continuing its efforts to open up new markets and strengthen old ones. The greatest need now is for the industry to make its technicians and skills available to increase the demand for and utilization of soybean oil. Persons skilled in ocean transport, processing, financing, plant operation, and storage techniques are in particular demand in many parts of the world.

Soviet Bloc Aid

(Continued from page 5)

ginally advance the development of a country, it can strengthen materially the hand of the USSR in playing upon neutralist sentiment and thereby obtain some additional support on international issues. And, the Soviet presence, once established, can be the springboard for a more expansive relationship as opportunities develop.

Consequently, it is of little comfort to Western interests that Western aid and trade in the less developed areas outside the bloc are so much greater than the aid and trade of the Communist countries. Western aid is large of necessity, for it is an indispensable accompaniment to the political and social ties with virtually all of the less developed countries. Bloc aid, on the other hand, can be modest because the Communist nations are seeking to establish ties where few have existed. This can be done on a selective and relatively inexpensive basis.

Expansion of Power

Thus, the present Soviet policy in less developed countries seems to offer a relatively riskless and efficient method of continued expansion of Soviet international power and influence. In areas where economic, social, and political life is undergoing rapid change, the perplexity in finding solutions to the complex problems of industrialization and self-government provides the Soviets with opportunity to influence the course of events.

The Soviets reason that if the less developed countries turn increasingly to the Communist bloc for economic development assistance and for trade, ties with Western countries will gradually be severed, and, in time, the inclination to follow Western democratic paths to social, economic, and political betterment will subside completely. To this end they are willing to offer support now for non-Communist governments, even bourgeois or monarchistic governments, in the belief that the expected erosion of Western influence will yield immediate political returns and will set in motion a course of evolution that will eventually result in governments controlled solely by the Communist Party.

Dominican Republic

(Continued from page 7)

products are trending upward and the United States is sharing in this increase. U.S. agricultural exports to the Republic in January-June 1962 exceeded exports during all of 1961. The demand for food has risen with the increase in employment and wages.

Wheat—all from Canada and the United States—has been the principal agricultural import since completion of a modern flour mill in 1960. The United States has been the principal source of the other important farm products purchased—prepared and condensed milk, fresh fruits, hams, onions, garlic, and live animals—and it normally supplies about 60 percent of total agricultural imports.

Agricultural Prospects Bright

The Dominican Republic has the productive land base, favorable climate, and labor supply necessary for substantial expansion of farm output. However, investments of capital and technology in agriculture have been relatively low, and individual incentives have been sorely lacking.

Supplying capital geared to the needs of the small farmer is the mission of the new agricultural credit program. The AID loan, combined with the Readjustment Fund and a large share of the U.S. sugar market, will also provide a portion of the capital needed for the diversification and development of agriculture.

Responsible for furnishing agricultural technology are the new Extension Service and the stepped-up rural education program. The AID mission and the Peace Corps are also helping bear this responsibility, as are other foreign and international agencies.

Individual incentives, perhaps the most important factor of all, are being provided through land ownership under the Agrarian Reform Program, rural community development, tax reforms, and cooperative marketing.

Though the Dominican Republic has a long way to go in rebuilding its agricultural economy out of the shambles left by the Trujillo dynasty, it is making progress. Outside assistance will help, but most of the burden rests squarely on Dominican shoulders.

Marketing U. S. Wheat in Colombia

Right, stacking U.S. wheat at a Bogota flour mill. Below, at a new Colombian school for bakers, loaves are being made from a blended wheat flour.

By HENRY HOPP

About 4 years ago our marketing specialists together with the Great Plains Wheat Associates launched a program in Colombia to broaden the market for wheat. Since then the country's annual wheat imports have doubled, and this year they should reach 180,000 tons. Moreover, this rise in wheat imports, most of which come from the United States, has been attained without upsetting Colombia's own wheat production.

Wheat growing in Colombia is confined to the highlands, lying roughly between 8,000 and 10,000 feet in altitude. These high-altitude lands are limited in area and are also needed for the production of other crops, notably barley and potatoes, as well as for dairying. Lately, with the phenomenal growth of the country's beer industry, barley has been in great demand.

Up until 1959 Colombia imported large quantities of malting barley, but in that year the government attempted to become self-sufficient in barley by diverting the necessary land to this crop. Production increased 25 percent, and imports dropped. But a considerable part of this increase was at the expense of wheat acreage.

This does not mean that wheat is a dying crop in Colombia, nor that the government is more interested in beer than bread. It simply reflects the fact that wheat can be purchased for pesos under Title I of P.L. 480, while milled barley cannot. And since Colombia is striving to put its financial house in order this represents a considerable saving of foreign exchange. At the same time, wheat production has been maintained on less acreage by the Ministry of Agriculture's attention to better seed and higher yields.

Our marketing projects naturally are aimed at wide use of U.S. wheat, but they are also making a very real contribution to raising the nutritional level of Colombian diets. This past spring we set up a bakers' training school as part of the Colombian Government's National Apprentice Service. Several classes have already graduated, some with large enrollments of bakery owners.

We have also been giving assistance to millers—showing them how to make the best use of local wheat and how to blend it with imported wheat. And several teams of Colombian growers and millers have come to the United States to study both production and milling.

Our nutritional program is largely educational. For 3 years we have sponsored a TV program called "Let's Learn Nutrition." Great Plains Wheat pays 25 percent of the costs, Colombia's National Institute of Nutrition the rest, and the TV station gives the time free. We also have a twice-weekly radio program, and this past summer we organized a "nutrition" bus that visited the smaller cities demonstrating wheat uses and giving nutrition lectures on the value of wheat to a balanced diet.

At the Bogotá trade fair, the wheat pavilion flew both the Colombian and U.S. flags, to show that wheat promotion in Colombia is a shared activity. Local wheat growers, bakers, and government experts joined us in telling the wheat story.

Very often it is difficult to gage the effectiveness of such programs—but not in this case. Last year wheat consumption in Colombia set a new record of 316,000 metric tons, compared with 274,000 tons 2 years previously.

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Larger New Zealand Tobacco Crop Displaces U.S. Imports

Unofficial estimates now set New Zealand's 1962 tobacco crop at a record 8.8 million pounds, 1.2 million more than the January estimates. This will probably mean further reductions of U.S. tobacco imports.

Whereas prior to 1957, the United States supplied virtually all the imported leaf used by New Zealand, in 1961, it shipped only 5.2 million pounds of the 6.3 million imported by that country. Competition comes mainly from Rhodesia-Nyasaland, Canada, and the Republic of South Africa.

Common Market Sets First Import Levies on Livestock

The Common Market countries have declared their regulations for variable import levies on hogs and hog carcasses, effective July 30. These, the first levies applied to livestock products, do not include other types of pork, variety meats, fatback, and lard, on which levies will not become effective until December 3, 1962.

The amount of the levy varies by country. The levy per 100 pounds of hog carcasses imported into West Germany is $10 for the Netherlands, $8.44 for Belgium, $5.60 for France, and $4.86 for Italy. Nonmembers wishing to export to Germany must pay fees of $12.95 per 100 pounds.

At the same time, other import restrictions have been withdrawn.

Climbing U.S. Wheat Exports Set World's Record in 1961

U.S. wheat exports in 1961-62 reached an alltime high of 608 million bushels—8 percent more than last year's record and also the largest amount ever shipped by a single country in a 12-month period.

Despite reduced takings by India, that country remained the biggest market, followed by Brazil and Turkey, whose purchases increased by 55 percent over 1960-61.

Brighter Future for U.S. Lard in United Kingdom

Although Cuba is taking much less U.S. lard, increased exports to the United Kingdom in 1962 are helping to offset the dwindling Cuban market.

In the first 5 months of this year, U.K. imports of U.S. lard were 26 percent above those of the same period in 1961, when higher U.S. prices caused a decline in sales. The United States supplied 149 million pounds, or 78 percent of all U.K. lard imports.

Venezuelan Soap Plant Will Need U.S. Tallow

Venezuela's largest soap factory, in Las Llaves, is expanding its present capacity of 1,000 metric tons per month to 3,000. Since U.S. tallow is competitively priced, the new capacity may result in more U.S. exports.

For the first half of 1962, Venezuelan imports of U.S. tallow have already doubled those of the corresponding period a year ago. Venezuela never has been a major market for U.S. tallow—importing 11 million pounds in 1961 of the total U.S. exports of over 3 billion.

Canadian Fruits, Vegetables Marketed Under Single Brand

Following a year of negotiations, Canadian fruit and vegetable growers and processors have joined forces to market their products under a single brand name not yet chosen.

Studies made this year revealed that new European outlets exist if Canadians can compete pricewise and are ready to spend substantial sums for advertising their new brand. The products to be promoted in both new and established markets include canned peaches, pears, cherries, waxed beans, corn, tomatoes, and tomato juice.